



CITY OF MEMPHIS HOME PROGRAM

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOS)

SINGLE FAMILY APPLICATION FY-2018

Please submit completed application by:

**Friday, November 18, 2016
4:00 p.m.**

**Housing & Community Development (HCD)
701 North Main Street
Memphis, TN 38107**

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NOTE: Include CHDO Financing Information with Application.

CHDO Overview

▣ **CHDO:** A CHDO is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. The City must use a minimum of fifteen-percent (15) of its annual allocation for housing owned, developed or sponsored by CHDOs. The City will evaluate organizations' qualifications and designate them as CHDOs. CHDOs also may be involved in the program as sub recipients, but the use of HOME funds in this capacity is not counted toward the fifteen percent (15 %) set-aside. **A CHDO can act in three (3) different capacity roles as listed below; however, due to the new changes in the 2013 HOME Final Rule, the CHDO must select one of the following:**

▣ **Owner:** The CHDO is an "owner" when it holds valid legal title to or has a long-term (99-year minimum) leasehold interest in rental property. The CHDO may be an owner with one or more individuals, corporation, partnership or other legal entities. (Reference CHDO Policy and Procedure Manual)

▣ **Developer:** A CHDO is a "developer" when it either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project. (Reference CHDO Policy and Procedure Manual)

▣ **Sponsor:** (1) A CHDO is a "sponsor" for HOME-assisted rental housing when it develops a project that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time. The conveyance may take place prior to, during or upon completion of the development phase.

(2) A CHDO is a "sponsor" for HOME-assisted homebuyer's program when it owns the property, then shifts responsibility for the project to another nonprofit at some specified time in the development process. The second nonprofit in turn transfers title, along with the HOME loan/grant obligations and resale requirements, to a HOME-qualified homebuyer within a specified timeframe.

▣ One of the goals of the HOME Program is to establish strong public/private partnerships. The City is required to make all reasonable efforts to maximize participation by private lenders and other members of the private sector. The Community Reinvestment Act (CRA) requirements provide an incentive to private lending institutions to become involved in HOME Program activities. Accordingly, all City Partners are encouraged to use private lenders as part of project financing.

CHDO PROPOSAL FOR FUNDING

CHDOs, except those who have had open findings or concerns for a period of 60 days that have not been satisfactorily addressed in accordance with the requirements of the City, may apply for an application for CHDO project assistance.

A Request for CHDO proposals funding is issue once a year, usually in the fall of the year. The funding is on a competitive basis. Proposals are ranked for the following criteria:

The City has determined that the following activities may be undertaken by CHDOs:

▣ **Direct Financial Assistance:** HOME funds may be used to assist the purchaser of a HOME-assisted housing unit sponsored by a CHDO with HOME funds.

▣ **Homebuyer activities:** HOME funds may finance the acquisition and/or rehabilitation or new construction of homes for homebuyers.

▣ **Rental housing:** Affordable rental housing may be acquired and/or rehabilitated, or constructed.

CHDO EXPERIENCE RATIO RATE CHART FOR SUBSIDY LEVEL

And

RATIO OF THE NUMBER OF UNITS FROM THE PROJECT TO THE AMOUNT OF FUNDS REQUESTED

<u>Years of Experience</u>	<u>Single Family Max.</u>	<u>Multi-Family Max.</u>
1	\$ 60,000.00	\$ 20,000.00
2	\$ 50,000.00	\$ 15,000.00
3	\$ 40,000.00	\$ 10,000.00
4	\$ 30,000.00	\$ 7,000.00
5 or more	\$ 20,000.00	\$ 5,000.00

Example:

During the third (3rd) year of operation a CHDO request funding in the amount of Three hundred thousand dollars (\$300,000.00) from the City of Memphis to construct five (5) single family housing units. Based upon the CHDO years of experience, which is three (3) years, HOME funds permitted per unit subsidy is Forty thousand dollars (\$40,000.00) and the grant amount awarded would be Two hundred thousand dollars (\$200,000.00) and the CHDO will have to seek additional leverage dollars elsewhere.

CHDO POLICY - Use of Operating Funds

The purpose of this policy is to promote self-sufficiency for the City of Memphis designated CHDO organizations in keeping with the intent of responsible management of federal HOME Program funds. Exceptions to this policy are subject to intense review and the direct approval of the Housing and Community Development Director.

Uses of Operating Funds - Funds will be used in accordance with HOME federal regulations as shown in 24 CFR 92.92.208 (a); (b) and 92.300 (e); (f) of the HOME Final Rule September 1999 **and 2013 HOME Final Rule**.

Operating funds under the CHDO HOME Program shall be used to assist CHDO designated organization in carrying out the project development of affordable housing units.

- Years of Funding - as of January 2000, CHDO applicants requesting operating funds will be evaluated by the number of years recipient has received CHDO operating funding and the number of units to be developed in the proposal.
- First consideration will be given to first time project development applicants competing in SCIF process; the desire of the City is to assist new CHDO organizations to build up their capacity level. Consideration will be given to those who have been recipients of CHDO operating funds for three years or less. Operating funding will be limited to a maximum of five (5) years per organization.
- Organizations having received operating funds in excess of five (5) years may request an exception from the Director of the Division of Housing and Community Development for funding consideration; only if circumstances are warranted as determined by the Director or his duly assigned designee.
- Request for an exception must be submitted on the appropriate form found in the SCIF application

ADMINISTRATIVE FUNDING POLICY

Years Participating in CHDO Program	Amount Allowed Per Unit	Maximum Amount Allowed
1	Up to \$20,000 per Unit	\$50,000.00
2	Up to \$15,000 per Unit	\$40,000.00
3	Up to \$10,000 per Unit	\$30,000.00
4	Up to \$5,000 per Unit	\$20,000.00
5+	Up to \$3,000 per Unit	\$15,000.00

SPECIAL NEEDS POPULATION

The Memphis CHDO Program encourages applications for funding that propose housing for special populations with low and very low incomes. Special Needs Population include the mentally ill, individuals with substance abuse problems, the developmentally disabled, the physically disabled, persons living with AIDS, the elderly, and the homeless. The CHDO program will give priority to projects that increase the availability of supportive housing units in safe and stable neighborhoods and insure that residents develop and maintain a clearly defined level of self-sufficiency through the provision of appropriate supportive services. Such projects should be planned and carried out in conjunction with appropriate service providers that regularly serve the targeted special population.

HOME-eligible types of housing encouraged for this target population include group housing, single room occupancy dwellings, multifamily housing units and permanent single family housing. Both rental housing and homebuyer opportunities are encouraged depending on the suitability of the housing for the proposed group.

LARGE FAMILIES/HOUSEHOLDS

The Memphis CHDO Program encourages applications that propose the development of affordable housing of appropriate size for large lower-income households in Memphis. Large households are households of five or more persons who include at least one person related to the householder by blood, marriage or adoption. Targeting large households will allow the program to provide housing for a low-income group that seldom can find housing of appropriate size and affordability. Development of single-family dwelling units with four or more bedrooms to be rented by these families is a priority of the City's CHDO program.

While HOME-eligible types of housing for large families include multi-family and single family housing units for renters and home buyers, the development of single family rental units with four or more bedrooms that are appropriate for serving the target population will be given priority.

TARGET NEIGHBORHOODS

The City of Memphis Community Housing Development Organization (CHDO) Program is designed to provide funds to CHDOs to undertake housing construction or rehabilitation projects which benefit low income households. In order to maximize the benefit of this and other programs, the City has established geographic target areas as priorities for housing and community development activities. Preference will be given to CHDO projects that are proposed within the geographic target areas.

The selection of geographic target areas listed below is based upon the overall need and potential for quality affordable housing development in the area. The need and potential are evaluated by the condition of the

existing housing stock, number of vacant residential lots, the income levels of residents, the existence of other initiatives, the current housing market analysis and the affirmation of the community as a whole through the Consolidated Planning process.

The geographic target areas will be evaluated on an annual basis. This evaluation will determine whether the area will benefit from continued status as a target area or if new target areas are necessary. The maximum number of years for status as a target area will be three years.

All CHDO projects must adhere to the goals and objectives as outlined in the Consolidated Plan three-year strategy.

The Affordable Single/Multi-Family Housing, Housing Developer's Incentive Program, and Community Housing Development Organization funds are targeted geographically. Applications for projects throughout the City are eligible, but projects located in targeted areas of the City may be given preference. These areas are as follows:

- | | | |
|-----------------------------------|----------------------------------|-----------------------------------|
| ▪ Uptown | ▪ University Place | ▪ Fowler |
| ▪ New Chicago | ▪ St. Patrick's/Linden/ Pontotoc | ▪ Hickory Hill/ Southeast Memphis |
| ▪ Whitehaven/West Whitehaven | ▪ Central Biomedical District | ▪ Frayser |
| ▪ Binghampton | ▪ Douglas | ▪ Raleigh |
| ▪ Cooper-Young | ▪ College Park | ▪ Orange Mound |
| ▪ University District/Fairgrounds | ▪ Mall of Memphis/Mt. Moriah | ▪ Hollywood/Hyde Park/Chelsea |
| ▪ Klondyke | ▪ Riverview Kansas | ▪ South Memphis |
| ▪ Midtown Corridor | ▪ Jackson Avenue Corridor | ▪ VECA |
| ▪ South Poplar Expansion Area | ▪ Victorian Village | ▪ Downtown |
| ▪ Parkway Village | | |

HOMELESS

New Construction or rehabilitation of housing units that can meet the need of an individual(s) or family which lacks a fixed, regular and adequate night time residence.

Priorities – strong consideration will be given to those applications that reflect qualified and experienced staffing with the capacity to carry out the administrative and program functions of the organization.

CHDO CAPACITY PERFORMANCE POLICY

The following attributes and abilities will measure CHDO performance capacity.

Each point noted below must be evidenced in writing and endorsed by the CHDO Board of Directors.

CHDO Programs that apply for project funds must:

- Present documentation of CHDO status in accordance with all applicable HOME requirements in the latest Rule;
- Provide evidence of ties with neighborhood organizations, enterprises and leadership.
- Present an established process for obtaining citizens' input, gathering information and data on housing issues and a market analysis to support the housing solution being proposed by the CHDO Program requesting funds;
- Provide a housing solution linked with the Consolidated Plan; specific and reflective of the population, neighborhood or area being served and supported by a marketing plan;

- Present an established process for meeting funding based on clients' qualifying requirements; equitable method for choosing whom, among many eligible applicants, will receive the proposed housing services;
- Provide a development and management plan for carrying out the housing solution, within a specific time frame, from project planning, site acquisition, project construction and marketing, to warranty support and property standards maintenance throughout the affordability period;
- Present commitments from other funding sources: banking, investors, private lending, grants/loans other than HCD;
- Provide commitments from qualified persons who will serve as a "development team" or technical consultants for real estate development, engineering, environmental and construction design issues throughout the project;
- Present a functional business office and qualified staff:
 - Minimum of three, full-time staffers: program director, construction manager, and/or clerical;
 - Part-time or contract business support: accountant, legal (counsel, real estate closings);
 - Non-residential office location/mailling address, phone;
- Provide staff leadership with a verifiable background in non-profit program financial management and federally funded real estate development;
- Present an "emergency" staffing and support plan in the event of an employment crisis.

HISTORY AND GOALS OF THE PROGRAM

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA), and has been amended several times by subsequent legislation.

▯ **Objectives:** The intent of the HOME Program is to:

- Provide decent affordable housing to lower-income households,
- Expand the capacity of nonprofit housing providers,
- Strengthen the ability of state and local governments to provide housing, and
- Leverage private-sector participation.

CURRENT HOME SNAPSHOT

■ **Amounts:** CHDO HOME dollars awarded for fiscal year FY 1992 through FY 2017 has been:

	<u>CHDO Project Set-aside</u>	<u>CHDO Operating Set-aside</u>
• FY 1992	\$ 870,000.00	\$ 155,000.00
• FY 1993	\$ 574,350.00	\$ 114,870.00
• FY 1994	\$ 631,091.92	\$ 235,130.00
• FY 1995	\$ 687,850.00	\$ 212,000.00
• FY 1996	\$ 689,000.00	\$ -0-
• FY 1997	\$ 920,000.00	\$ 184,000.00
• FY 1998	\$ 665,000.00	\$ -0-
• FY 1999	\$ 759,900.00	\$ 253,250.00
• FY 2000	\$ 760,800.00	\$ 523,253.00
• FY 2001	\$ 844,950.00	\$ 281,650.00
• FY 2002	\$ 941,201.00	\$ 257,237.00
• FY 2003	\$ 750,415.00	\$ 251,138.00
• FY 2004	\$ 765,022.00	\$ 255,007.00
• FY 2005	\$ 729,459.00	\$ 243,153.00
• FY 2006	\$ 729,460.00	\$ 243,153.00
• FY 2007	\$ 692,755.00	\$ 230,918.00
• FY 2008	\$ 691,086.00	\$ 230,361.90
• FY 2009	\$ 665,242.80	\$ 221,747.60
• FY 2010	\$ 742,563.00	\$ 221,747.00
• FY 2011	\$ 738,228.00	\$ 246,076.00
• FY 2012	\$ 1,090,908.25	\$ 217,112.25
• FY 2013	\$ 419,501.10	\$ 139,833.70
• FY 2014	\$ 391,574.00	\$ 130,524.00
• FY 2015	\$ 403,989.00	\$ 134,663.00
• FY 2016	\$ 357,956.40	\$ 119,198.80
• FY 2017	\$ 378,135.30	\$ 126,045.10

HOME FUNDS TIME LIMITATIONS

Timeframe

■ The City of Memphis is obligated to commit and spend its allocated funds within certain time frames or face the loss of HOME funds. Therefore, all contracting entities must provide detailed timelines and adhere to those timelines.

- The City has ***Twenty-four (24) months*** to enter into written agreements with developers, owners, contractors, sub recipients, and Community Housing Development Organizations (CHDOs) to commit HOME funds.
- The City, not the developers, owners, contractors, sub recipients and CHDOs have ***five (5) years*** to expend HOME funds. Those contracting with the City having HOME funded projects are expected to complete projects within eighteen (18) calendar months. The contract execution date is indicated on the cover page of the CHDO contract.
- CHDOs are awarded funding from available HOME FY'18 funds. The fiscal year that the CHDO dollars are awarded from is identified in the CHDO contract.

CHDO SET-ASIDE REQUIREMENTS

- The City must reserve **a minimum of fifteen (15) percent** of its annual allocation for activities undertaken by designated Community Housing Development Organizations (CHDOs).
- In addition, the City may reserve up to five (5%) percent of its annual HOME administrative allocation from HUD for operating expenses incurred by qualified CHDOs while they are undertaking CHDO activities.

CHDO HOME-FUNDED ACTIVITIES

The City has determined that the following activities may be undertaken by CHDOs:

- **Homebuyer activities:** HOME funds may finance the acquisition and/or rehabilitation or new construction of homes for homebuyers. ***There's a nine (9) month deadline for the sale of a home or it will have to be converted to rental or the funds will have to be repaid per 2013 HOME Final Rule.***
- **Rental housing:** Affordable rental housing may be acquired and/or rehabilitated, or constructed. ***Rental units must be occupied by income-eligible households within 18 months of project completion; if not then the HOME funds must be repaid for the vacant units per 2013 HOME Final Rule.***
- **Direct Financial Assistance:** HOME funds may be used to assist the purchaser of a HOME-assisted housing unit sponsored by a CHDO with HOME funds.

GLOSSARY OF HOME TERMS

Action Plan: The one-year portion of the Consolidated Plan (see below). It includes the City's annual application for HOME funds.

Adjusted Income: Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and child care (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs.

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership or rental housing).

Annual Income: The HOME Program allows the use of one of three definitions of annual income: Section 8 annual income; annual income as reported on the U.S. Census long form; and adjusted gross income as defined for reporting on IRS Form 1040.

Commitment: Commitment means one of three things: (1) The City has executed a legally binding agreement with a sub recipient, or contractor to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or (2) the City has executed a written agreement reserving a specific amount of funds for a CHDO; or (3) the City has met requirements to commit to a specific local project as defined below.

Commitment to a specific project: Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements: (1) For rehabilitation or new construction projects, the City and the project owner will execute an agreement for an identifiable project under which construction can reasonably be expected to start within 12 months of the agreement date. (2) If the project consists of acquisition of standard housing by the City, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the City (or other entity) within six months of the date of the contract. (3) If the project involves the acquisition of standard housing and the City is providing

HOME, funds to a purchaser, under the agreement, the title of the property must be transferred to the purchaser within six months of the agreement date. (4) If the project consists of TBRA, the City must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

Community Housing Development Organization (CHDO): A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. The City must award at least fifteen percent (15%) of its annual HOME allocation to CHDOs.

Concerns: Monitoring issues that appear to not to be line with HUD regulations.

Consolidated Plan: A plan prepared by the City in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on September 16, 1996 and became effective on October 16, 1996. **There were some changes made to the Federal Register on July 24, 2013 entitled 2013 HOME Final Rule.**

Finding: Violations of HUD regulations.

Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

HOME-Assisted Units: A term that refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

HOME Funds: All appropriations for the HOME Program, plus all repayments and interest or other returns on the investment of these funds.

HOME Investment Trust Fund: The term is given to the two accounts - one at the federal level and one at the local level - that "hold" the City's HOME funds. The federal HOME Investment Trust Account is the U.S. Treasury accounts for each participating jurisdiction. The local HOME Investment Trust Fund account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Household: One or more persons occupying a housing unit.

Income Verification: Determination of an individual wage earnings or governmental benefits.

Jurisdiction: A state or unit of general local government.

Large Household/Family: Households of five or more persons who include at least one person related to the householder by blood, marriage or adoption.

Low-Income Families: Families whose annual incomes do not exceed eighty percent (80%) of the median income for the area (adjusted for family size).

New Construction: The creation of new dwelling units. Any project which includes the creation of the foundation and framing structure of a dwelling is considered new construction.

Participating Jurisdiction (PJ): The term given to a city, state, or consortium that has been designated by HUD to administer the HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan.

Program Income/CHDO Proceeds: Gross income received by the CHDO directly generated from the use of HOME funds or matching contributions.

Project: A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four-block radius.

Project completion: All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw-down has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For TBRA, project completion means the final draw down has been disbursed for the project.

Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

Single-Room Occupancy (SRO): Housing consisting of single-room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants.

Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.

Total Project Cost: All costs associated with the development of a HOME funded project. HOME participation is computed on a per unit basis and is limited to the lesser of \$60,000 or the subsidy needed to achieve fair market value.

Unit: The basis for calculating HOME support to a project. It is housing for a single household. All HOME funding support is computed and limited on a per unit basis.

Very Low-Income Families: Families whose annual incomes do not exceed fifty percent (50%) of the median income for the area (adjusted for family size).

INSTRUCTIONS:

1. CHDO applications must be submitted in a three ring binder. (*Do not submit applications that are bound with rubber bands or clips.*)
2. CHDO applications must be submitted in same order as the application format.
3. Submit *one (1) original and three (3) copies* of the CHDO application.
4. CHDO applications must be computer generated. (*Do not submit handwritten applications.*)

PLEASE SUBMIT CHDO APPLICATION IN THE FOLLOWING ORDER:

1. Evaluation Form FY 2018 - CHDO Application Ranking Criteria page.
2. CHDO Application.
3. CHDO Financing Application.
4. CHDO Application Checklist.
5. CHDO Applicant's Certification (*Please sign*).
6. Attachments.

ATTACHMENTS (MANDATORY ITEMS FOR APPLICATION REVIEW - PLACE THE FOLLOWING ATTACHMENTS IN THE BACK OF THE APPLICATION):

- ☐ Current Audit Report.
- ☐ Provide commitment and support letters from Financial Institutions and Neighborhood Associations in your target area.
 - ***Due to HUD's 2013 HOME Final Rule, the CHDO must provide a letter of commitment from a financial institution.***
- ☐ CHDO staff resumes and their job descriptions.
- ☐ Target Area Market Study or Neighborhood Needs Assessment Report.
- ☐ Preliminary drawings of new construction house plans.
- ☐ Marketing Plan (consistent with the City of Memphis Affirmative Marketing Plan).
- ☐ Provide your CHDO's Contractor(s) List.
- ☐ Provide documentation to support property ownership or site control. (i.e. Warranty Deed, Trust Deed or Letter of Intent to Acquire property)
- ☐ Shelby County Assessor's report for each identified property.
- ☐ Map of proposed development area.

Evaluation Form FY-2018 CHDO APPLICATION

CHDO Name: _____

CHDO Project Name: _____ CHDO Project Phase _____

CHDO Project Request \$ _____ CHDO Administrative Request \$ _____

Ranking Criteria

Applicant Capacity and Track Record (I –VIII; Maximum Points – 36)

*Provide documentation identifying prior housing experience and success with other projects similar to the projects and time schedule. (6 points)

*Provide evidence of fiscal capacity to manage federal funds. (10 points)

*Provide evidence of organization's use of consultants and joint venture partners during previous year. (4 points)

*Provide evidence of neighborhood participation (i.e. letters of support from neighborhood associations and community groups). (5 points)

*Provide documentation identifying organization capacity to implement the project (i.e. staff positions, job descriptions and descriptions and resumes) (6 points)

*Early application submission by 1:00 p.m. November 18, 2016. (5 points)

Project Quality (IX – XIII; Maximum Points – 30)

*Provide evidence of proposed project activity meeting neighborhood needs supported by neighborhood need assessment, reports or market study. (10 points)

*Submit housing design meeting neighborhood streetscape. (Submit new construction preliminary housing design plan(s) with application). (10 points)

*Provide evidence of application addressing one or more priorities outlined in the three-year Consolidated Plan and the Mayor's priorities. (10 points)

Project Leverage (XIV – XXII; Maximum Points – 20)

*Provide evidence of identified non-federal leverage dollars. (5 points)

*Provide evidence of secured project financing. (5 points)

*Identify how previous year program proceeds will be used towards organization progression for self-sufficiency. (5 points)

*Does the ratio for the number of units proposed in this application average the amount of funds requested. (3 points)

*Will any of the proposed housing units be EcoBUILD certified? (2 points)

Project Feasibility (XXIII – XXIV; Maximum Points – 20)

*Does application identify realistic funding request and are budget/expenses reasonable. (5 points)

*Does application identify site control? Is ownership of property established? (5 points)

*Is proposed property in compliance with city and county zoning requirements? (5 points)

*Provide letter(s) of commitments from other funding sources. (5 points)

CRITERIA	POOR	FAIR	AVERAGE	GOOD	EXCELLENT
Applicant Capacity & Track Record	1 - 6	7 - 12	13 - 18	19 - 25	26 - 36
Project Quality	1 - 6	7 - 12	13 - 18	19 - 24	25 - 30
Project Leverage	1 - 4	5 - 9	10 - 13	14 - 17	18 - 20
Project Feasibility	1 - 4	5 - 9	10 - 13	14 - 17	18 - 20
TOTAL POINTS					

THRESHOLD SCORE = 75

MAXIMUM SCORE = 106

If there is a tie, based on scores and limited funding, the City may select projects based on the alphabetical listing of the projects similarly ranked.

City of Memphis Division of Housing and Community Development

CHDO APPLICATION FORM

All information requested in this document is mandatory and must be submitted with your CHDO application.

I. CHDO NAME AND LOCATION

Development Name:		
Address:		
Memphis	Tennessee	Zip:
Shelby	Census tract:	

II. CHDO BOUNDARIES

North Boundary:	South Boundary:
East Boundary:	West Boundary:
Census tract(s) service area:	Neighborhood:

Legal Status:

Federal Identification Number: _____

State Senate: _____

State Assembly: _____

City Council District: _____

Other Attachments:

Audit Financial statements (most recent year) _____

Quarterly Financial Statement _____

Certificate of State Existence (TN) _____

Resolution endorsing Affirmative Marketing Policy _____

	Yes	No
Do any unsatisfied judgments exist against the applicant/developer or any related party?		
Are there any homeowners or tenant complaint against the CHDO unresolved arising from the development of housing units assisted with federal HOME set-aside funds?		
<i>If "Yes" has been answered in any of the above questions, please attach a separate explanation.</i>		

Total number of single family projects developed to date:	
Total number of rental projects developed to date:	
Total number of multifamily projects developed to date:	
Total number of units:	
Type of units: (i.e. Family, Elderly, Special needs):	

III. APPLICATION TYPE

Type of Units

☐

Home Ownership

Single Family

☐

Eligible Uses of HOME funds:

- Acquisition and/or rehabilitation of rental housing,
- New construction of rental housing,
- Acquisition and/or rehabilitation of homebuyer properties,
- New construction of homeowner properties, direct financial assistance to purchasers of HOME assisted housing sponsored by a CHDO with HOME funds.

Ineligible:

- Tenant Based Rental Assistance,
- Homeowner rehabilitation,
- Brokering or other real estate transaction.

CHDO ROLE – *only select one* (Must be completed)

☐

Owner

☐

Developer

☐

Sponsor (All contractual agreements must be submitted for approval.)

IV. POPULATION INCOME SERVED (Must be completed)

☐

At least 20% of the rental residential units in this development will be rent-restricted and occupied by individuals whose income is 50% or less of area median income as adjusted by family size and published annually by HUD.

☐

At least 40% of the rental residential units in this development will be rent-restricted and occupied by individuals whose income is 60% or less of area median income as adjusted by family size and published annually by HUD.

☐

Single family resident must serve individuals whose income is 80% or less of area median income.

V. SPONSORED ORGANIZATION DATA

Organizations being Sponsored must sign the application as well.

	Sole Proprietor		Non-Profit Corporation
	Limited Partnership		Corporation
	General Partnership		Limited Liability Corporation

Sponsor's address must be a valid mailing address. All development correspondence will be mailed to the ownership entity.

Address:		
City:	State:	Zip Code:
County:	Phone #	
Contact Person:	Fax #:	
Federal Tax ID#:	Principle purpose of organization:	

Name of general partner(s), managing LLC member(s), principals or contact person:

	Phone #:	% Ownership:
	Phone #:	% Ownership:
	Phone #:	% Ownership:

VI. (a) CHDO PROGRAM DATA

A. Describe CHDO process for securing input from low-income persons in your target area. In addition, provide dates and location of all public meetings/forums held in your target area within the last twelve (12) months. Provide evidence of community support. (i.e. letter of support from businesses, neighborhood associations, community development corporations or groups in your target area)

B. Describe how securing funding through the CHDO application will enhance your organization's goal with its effort to revitalize your target area. Are you following your neighborhood strategic plan?

C. Explain how the CHDO manages its Program funds. What internal controls are in place?

D. Please provide a detailed description of the proposed CHDO project.

E. Please provide photos of completed CHDO project sites and map(s) of proposed CHDO project sites.

F. Identify all current housing staff, provide resumes, and job descriptions.

VI. (b) **BOARD LISTING**

Please list CHDO board members and home addresses. Indicate if they are residents of the neighborhood by placing an “R” by the Census Tract number (example: 16 – R).

Name	Address	Identify Resident Census Tract	Board Member Position

VII. DEVELOPMENT TEAM INFORMATION

GENERAL PARTNER/MANAGING ORGANIZATION

Name:		
Address:		
City:	State:	Zip:
Contact Person:	Phone #:	Fax #:

GENERAL CONTRACTOR

Name:		
Address:		
City:	State:	Zip:
Contact Person:	Phone #:	Fax #:

DESIGN ARCHITECT AND FIRM

Name:		
Address:		
City:	State:	Zip:
Contact Person:	Phone #:	Fax #:

SUPERVISORY ARCHITECT AND FIRM

Name:		
Address:		
City:	State:	Zip:
Contact Person:	Phone #:	Fax #:

REAL ESTATE BROKERAGE FIRM

Name:		
Address:		
City:	State:	Zip:
Contact Person:	Phone #:	Fax #:
Years of single family sales experience:		
Total number of units sold Low Income:		Total Units:

ATTORNEY AND FIRM

Name:		
Address:		
City:	State:	Zip:
Contact Person:	Phone #:	Fax #:

Does an identity of interest or business association exist between the Applicant, Applicant's Board, Developer, Developer's Board or Owner, Owner's Board and any other member of the development team? If members of the development team are related or associated in any way, please indicate the nature of the relationship. Examples of such overlapping interests or relationships include: family relationships; acting as a director, officer or owning stock in corporations; being partners (general or limited) or principals in a partnership; members in a limited liability company; or managing, advising or directing other corporate or business entities.

If there is an identity of interest, please describe.

Provide the names of those development team members which have been determined, including sponsoring organization, consultant, tax accountant, and any others involved in the development team.

List any direct or indirect, financial or other interest a member of the above team may have with another member of the team for this development. List "none" if there are no identities of interest.

HUD 92.356 Conflict of Interest

- (a) *Applicability.* In the procurement of property and services by the participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.
- (b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds and who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from any HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- (c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

VIII. DEVELOPMENT TIMELINE

Activity Date of Scheduled Completion or Completion
Date (month _____ year _____)

A.	Site Control:	
	Option	
	Site acquisition/Purchase	
B.	Financing:	
	Construction loan	
	Conditional commitment	
	Loan closing	
C.	Plans and Specifications	
	Preliminary drawings	
	Initial working drawings	
	Working drawings & specifications	
D.	Closing and Transfer of Property	
E.	Construction Starts	
F.	Completion of Construction	
G.	Marketing Period	
H.	First Building to be Placed in Service	
I.	Last Building to be Placed in Service	

IX. SITE INFORMATION (Must be completed)

Property Address _____ (Submit separate sheet for each parcel of land)

Does the organization have site control of the property?

☐

Yes

☐

No

If yes, site control is in the form of:

☐

Deed

☐

Option

☐

Purchase contract

☐

Other: _____

Expiration date of contract or option: (month, date & year) _____

Site Control documentation must include map and a complete legal description of the property.

Total Cost of land:

\$

Exact area of site:

(circle one - acres or square feet)

Seller:		
Address:		
City:	State:	Zip Code:

Present zoning classification:

Is a conditional use permit required?

When is approval for it expected?

Was property acquired with HOME or CDBG funds?

☐

Yes

☐

No

(If yes, include contract number and funding year)

Provide Appraisal Report or Property Assessment from Tax Assessor's Office on each property

Are all utilities presently available to the site?

☐

Yes

☐

No

Site currently used for:	
Prior site uses:	

ADJOINING LAND USES

Describe adjoining land uses:	
North	
South	
East	
West	

X. SINGLE-FAMILY DEVELOPMENT INFORMATION

Total number of units to be developed under this proposal:	Number of Substantial Rehab units:
Number of New Construction units:	Number of Minor Rehab units: (less than \$25,000.00)

Type of units:

<input type="checkbox"/>	Single Family	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Townhouse	<input type="checkbox"/>	Other:

Targeting of units:

Number of Units:

<input type="checkbox"/>	Low Income	_____
<input type="checkbox"/>	Homeless individuals or homeless families	_____
<input type="checkbox"/>	Elderly	_____
<input type="checkbox"/>	Large Family (4 or more bedrooms)	_____
<input type="checkbox"/>	Physically & Mentally disabled	_____

NOTE: Do not double count units when targeting special populations.

Type of building:

Type of construction:

<input type="checkbox"/>	Detached single-family	<input type="checkbox"/>	Slab on grade
		<input type="checkbox"/>	Crawl space
		<input type="checkbox"/>	Partial basement
		<input type="checkbox"/>	Full basement
		<input type="checkbox"/>	Public Water/Sewer Yes/No*

Parking Space:			
Type of parking spaces:	Garages:	One car carport:	Two car carport:

Type of Floor Area:	Square Feet:
Heated floor area:	
Non-heated floor area:	
Total Floor Area:	

XI. ENERGY AND AMENITIES INFORMATION

Energy Equipment System & Fuel Type (forced air, gas, hot water, etc.)

Heating:	
Air Conditioner:	
Domestic hot water:	

Amenities Included with (Low-Income Units)

	Play Area		EcoBUILD		Other:
	Security Systems		Other:		
Unit Amenities <i>(Check all that apply)</i>					
	Range/oven		Hood Fan		Disposal
	Washer & dryer		Laundry hookup only		Dishwasher
	Microwave		Refrigerator		Patio/Balcony
	Blinds/Shades		Drapes		Cable TV Hookup
	Sheet Vinyl		Ceramic Tile		Carpet
	HVAC		Sleeve and A/C unit		Other:
	Trash Compactor		Category 5		Other:

XII. ENVIRONMENTAL ASSESSMENT

GENERAL INFORMATION

Is any part of the site within or near (within 1/4 mile) the following: <i>(If "Yes", please provide written explanation)</i>		
	Yes	No
Environmental Corridor <i>(Check with County or Regional Plan Commission)</i>		
100-year Flood Plan		
Designated Wetland		
Prior Land Fill/Dump Site		
Known Point of Archaeological Interest		
Industrial Area		
Railway Corridor		
Airport Traffic Zone		
Attach listings of other possible pollutants or nuisances (unusual odors, noises, storage tanks, etc.)		

B. ENVIRONMENTAL RISKS

This section is intended to summarize your knowledge or information regarding conditions at the property or building which may present environmental risks or potential hazards if any. For each potential hazard or condition listed in the left column please indicate your knowledge or information of its current or historic presence by checking one of the three columns on the right portion on the page.

1. If you know of or suspect the evidence or the presence of a potential hazard or condition, please place a check in the **YES** column.
2. If you are neither aware of nor suspect any evidence of a potential hazard or condition, please place a check in the **NO** column.
3. If you are unsure of the presence of a potential hazard or condition, please place a check in the **UNKNOWN** column.

REAL ESTATE TAXES, ASSESSMENTS, AND OTHER FEES/CHARGES

Year of most recent property assessment:			
Equalization Rate:	Land:	Improvements:	Total:
Provide copies of property taxes for three preceding years.			
If a nonprofit, has the taxing authority agreed to exempt the project from real estate taxes or to offer a payment in lieu of taxes (PILOT)?			
Any special assessments, levied or pending? Describe nature, duration and amount:			
Sewer Access Charge	\$	Street Extension	\$
Water Access Charge	\$	Impact Fees	\$
Park Dedication Fee	\$	Other (specify)	\$
What, if any, off-site public improvements are required? None () Specify:			
Describe cost and funding plan for construction of these improvements:			
Is the site within a Tax Incremental Financing (TIF) district? Yes/No			
Is the site within a Planned Unit Development (PUD) district? Yes/No			

LINKAGES AND SERVICES

NAME AND DISTANCE TO NEAREST:

	Name	Distance
Grocery Store		
Convenience Store		
Place of Worship		
Hospital		
Post Office		
Banks		
Shopping Center		
Day Care Center		
Elementary School		
Middle School		
High School		
Senior Citizen Center		
Bus Stop		
Special Transit Services		

PRESENCE OF POTENTIAL HAZARDS OR CONDITIONS (Check appropriate box)	Yes	No	Unknown
Has a Hazardous or Toxic Substance discharge occurred at the property?			
Are any Hazardous or Toxic Substances stored at the property?			
Are Underground Storage Tanks* present at the property?			
Are Aboveground Storage Tanks* present at the property?			
Are there Pipeline Discharges at or from the property?			
Surface Contamination, Stained soils/Pavement, Stressed Vegetation present?			
Suspicious Containers or Drums present at the property.			
Empty paints cans present?			
PCB's (Polychlorinated Biphenyls).			
Electrical Transformers, Capacitors or Fluorescent Light Ballast present.			
Are there Old White Goods? (i.e., refrigeration equipment) present?			
Have VOCs (Volatile Organic Compounds) been detected or reported at the property?			
Are any Waste Disposal Areas present on the property?			
Any evidence of Pesticides?			
Is any Scrap Metal Piles on the property?			
Potable or monitoring Wells?			
Septic Systems?			
Holding Tanks.			
Any Hazardous Thermal Insulating Materials (Area Formaldehyde) present.			
Asbestos Containing Materials (ACM)?			

PRESENCE OF POTENTIAL HAZARDS OR CONDITIONS CONTINUED (Check appropriate box)	Yes	No	Unknown
Lead Piping in Domestic Water System?			
Lead-based Paint (Lead Concentrations)?			
Building Code Violations?			
Structural Deficiencies?			
Termites, Pests, Rodents?			

* If underground or aboveground storage tanks have been removed or closed, please attach tank closure report and tank registration or inventory forms in accordance with WDNR guidelines.

Please furnish any additional information known to you that relates to the presence of conditions or materials at the property, which may pose a threat to human health, safety or the environment.

The following items will be required after feasibility analysis and must be submitted as requested during the loan approval process in order to meet the 90-day approval time frame. Please provide if currently available.

☐ Phase I Environmental Audit.

CHDO APPLICATION CHECKLIST

Check Items:

CHDO Application

	Ownership Entity Documents:
	Organizational Documents (i.e. Charter/Articles of Incorporation and Bylaws)
	IRS Tax – Exempt Certification
	State Certification
	Current Signature Board Listing
	Nonprofit Corporation Tax Return (990 form)
	Current Audited Financial Statements of the Organization
	Market Study or Assessment Report
	Staff Job Descriptions and Resumes
	Marketing Plan (consistent with the City of Memphis Affirmative Marketing Plan)
	Professional Preliminary Documents:
	Design/Supervisory architect professional service contract.
	Detailed scope of rehabilitation work and costs (if applicable).
	Provide listing of contractor currently used by the organization (identify projects by address for each contractor)
	Preliminary drawing of new construction house

MANDATORY ITEMS TO BE REVIEWED

Please follow and use this checklist in submitting your application. Your application will be considered incomplete if any of the following mandatory items are missing. Further review will not resume until missing items are received.

CHDO APPLICATION

MANDATORY ITEMS FOR FEASIBILITY:

	Application (One original and three copies)
	Financing Application
	Letter of Commitment from a Financial Institution
	Market Study or Assessment Report for Service Area
	Affirmative Marketing Plan
	Applicant Certification Page with Signatures
	Conceptual drawings: sketches of site plan and building layout. If available, provide elevation

CHDO APPLICANT'S CERTIFICATION

The Undersigned hereby acknowledges and certifies to the City of Memphis Division of Housing and Community Development /Memphis Housing Authority (the "City"), individually and on behalf of the CHDO (the "Applicant") as part of this application for HOME CHDO set-aside funds in the amount of \$_____ for the development of _____ housing units.

The CHDO certifies the following:

1. The information contained in the Application, including all statements and certifications attached hereto, is true and correct and has been prepared with due diligence. The Applicant has an affirmative duty to notify the City about any changes to the information contained in the Application or to the CHDO organization. The Applicant knows of no facts or circumstances that would threaten or adversely affect the Development and cause the information in the Application to be incorrect or misleading. The City or its agents may make verification of information contained in the Application at any time.
2. The Applicant agrees to indemnify and hold harmless the City, its members, officers, employees and agents, from and against, any and all claims, suits, damages, costs and expenses arising out of the City's review of and decisions with regard to the Application. City analysis and review of the Application and related documentation is for its own purposes. A grant commitment does not exist until the City has issued an Award Letter and the Applicant has accepted such letter.
3. Misleading information or misrepresentation contained in the Application may result in the termination of the underwriting/approval process, a revocation of grant approval and/or prohibition from participation in City programs.
4. The Contract Documents when entered into by the City and the Applicant shall supersede all discussions, negotiations and agreements about the Application.
5. The execution and delivery of the Application and this document is duly authorized and binding on the Applicant.

Date: _____

Name of CHDO

Signature of Executive Director

Signature of Board Chairman

ALL CHDO APPLICATIONS

**Must be completed in its entirety and submitted to the Division of
Housing & Community Development - 701 North Main Street
no later than 4:00 p. m. on November 18, 2016;
or your application will be REJECTED!!**